

**ACTION MINUTES OF THE  
LOCAL AGENCY FORMATION COMMISSION  
HEARING OF OCTOBER 16, 2013**

**REGULAR MEETING**

**9:00 A.M.**

**OCTOBER 16, 2013**

**PRESENT:**

**COMMISSIONERS:** Jim Bagley  
Kimberly Cox, Vice-Chair  
James Curatalo, Chair  
Robert Lovingood  
Larry McCallon  
James Ramos  
Dawn Rowe, Alternate  
Sunil Sethi, Alternate  
Robert Smith, Alternate  
Diane Williams

**STAFF:** Kathleen Rollings-McDonald, Executive Officer  
Clark Alsop, LAFCO Legal Counsel  
Samuel Martinez, Assistant Executive Officer  
Michael Tuerpe, LAFCO Project Manager  
Rebecca Lowery, Clerk to the Commission

**ABSENT:**

**COMMISSIONERS:** Janice Rutherford, Alternate

**CONVENE REGULAR SESSION OF THE LOCAL AGENCY FORMATION  
COMMISSION – CALL TO ORDER – 9:02 A.M. – SAN BERNARDINO CITY COUNCIL  
CHAMBERS**

Chairman Curatalo calls the regular session of the Local Agency Formation Commission to order and leads the flag salute.

**CONSENT ITEMS – APPROVE STAFF RECOMMENDATIONS:**

1. Approval of Minutes for Regular Meeting of August 21, 2013
2. Approval of Executive Officer's Expense Report
3. Ratify Payments as Reconciled for Months of September 2013 and Note Cash Receipts
4. Commission Authorization for Recruitment of LAFCO Secretary at Step 8 of Range 39 as Required by Human Resource Policy 204 (B)

LAFCO considers the items listed under its consent calendar, which includes a Visa Justification, and a staff report outlining the staff recommendations for the reconciled payments. Also included is the staff report requesting the approval to start the newly hired Secretary at Step 8 of the previously approved range. Copies of each report are on file in the LAFCO office and are made part of the record by their reference herein.

Executive Officer Kathleen Rollings-McDonald states that no items have been requested to be deferred for discussion.

Commissioner McCallon moves approval of the consent calendar, second by Commissioner Cox. Chairman Curatalo calls for opposition to the motion. There being no opposition, the motion passes unanimously with the following vote: Ayes: Bagley, Cox, Curatalo, Lovingood, McCallon, Williams. Noes: None. Abstain: None. Absent: Ramos.

**PUBLIC HEARING ITEM:**

**ITEM NO. 5.** No Items Deferred for Discussion

**DISCUSSION ITEMS:**

**ITEM NO. 6. CONSIDERATION OF REQUEST FOR REDUCTION IN FILING FEES SUBMITTED BY THE HELENDALE COMMUNITY SERVICES DISTRICT FOR LAFCO 3175 -- REORGANIZATION TO INCLUDE ANNEXATIONS TO THE HELENDALE COMMUNITY SERVICES DISTRICT AND ANNEXATION TO ZONE FP-5 OF THE SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT**

(It is noted that Commissioner Cox recuses herself from the discussion and leaves the dais at 9:04 a.m.)

Assistant Executive Officer Samuel Martinez presents the staff report, a complete copy of which is on file in the LAFCO office and is made a part of the record by its reference here. The full recommendation is outlined on page 1 of the staff report.

(It is noted that Commissioner Ramos arrives at the Hearing at 9:07 a.m.)

Mr. Martinez states that staff received the request from the Helendale CSD for a reduction in the filing fees for the reorganization proposal on September 23, 2013. He states that staff supports the District's request for reduction in filing fees since the two areas proposed for annexation are primarily vacant land, which will not require an extensive review and which has no specific development tied to the proposal.

Commissioner McCallon asks if a change in Commission policy regarding the fee schedule would be required by this action.

Executive Officer Kathleen Rollings-McDonald states that the Commission's policies currently have a fee waiver provision for these types of instances.

Chairman Curatalo asks the Commission's Legal Counsel for his comments on the issue.

Clark Alsop, Legal Counsel for the Commission, states that the item is a policy issue for the Commission to discuss.

Commissioner Lovingood states that this would be a good time to review the policy on LAFCO fees.

Commissioner Bagley states that the County of San Bernardino is made up of many rural areas and that many smaller agencies may not be able to afford annexations at the current fees and that it would be a good idea to review the policy.

Commissioner Ramos states that he would like to see a pro and con listing with regard to the policy review.

Commissioner Williams states that the policy need to be flexible to fill the needs of the agencies that may want to annex or reorganize.

Ms. McDonald states that staff will return to the Commission with a draft of the amended policy for review and discussion at the November 20, 2013 Hearing.

Commissioner Lovingood moves approval of the staff recommendations as outlined on page one of the staff report with direction to staff to return at the November hearing a discussion of the Fee Schedule and Waiver Policy, second by Commissioner McCallon. Chairman Curatalo calls for opposition to the motion. There being no opposition, the motion passes unanimously with the following vote: Ayes: Bagley, Cox, Curatalo, Lovingood, McCallon, Ramos, Williams. Noes: None. Abstain: None. Absent: None.

(It is noted that Commissioner Cox returns to the dais at 9:12 a.m.)

**ITEM NO 7. FIRST QUARTER FINANCIAL REVIEW FOR PERIOD JULY 1 THROUGH SEPTEMBER 30, 2013: (a.) FINANCIAL REVIEW and (b) NOTE ADDITIONAL CARRYOVER FROM FISCAL YEAR 2012-13 AND DISCUSS ALLOCATION TO FUND FISCAL INDICATORS PROGRAM, AND SPECIAL STUDY FOR NEWBERRY, YERMO AND DAGGETT COMMUNITY SERVICE DISTRICTS**

Executive Officer Kathleen Rollings-McDonald presents the staff report, a complete copy of which is on file in the LAFCO office and is made a part of the record by its reference here. The full recommendation is outlined on pages 1 and 2 of the staff report

Ms. McDonald reviews the first quarter of the 2013-14 fiscal year and states that with the hiring of the LAFCO secretary, LAFCO will be fully staffed. She reviews the expenditures and the revenue through the first-quarter. She notes that the projected proposal activity for the year has been met in the first quarter. She states that all apportionment payments have been received with the exception of the Baker CSD.

Commissioner Ramos asks about LAFCOs historical activity. Ms. McDonald reviews the activity chart and notes the change in activity due to the economic environment faced by the county in

the past 5 to 6 years. She states that going forward, the economic environment appears to be improving.

Commissioner Ramos moves approval of the staff recommendations as outlined on pages 1 and 2 of the staff report, second by Commissioner Williams. Chairman Curatalo calls for opposition to the motion. There being no opposition, the motion passes unanimously with the following vote: Ayes: Bagley, Cox, Curatalo, Lovingood, McCallon, Ramos, Williams. Noes: None. Abstain: None. Absent: None.

**ITEM NO 8. STATUS REPORT ON RIM OF THE WORLD RECREATION AND PARK DISTRICT COMPLIANCE WITH LAFCO CONDITIONS ON SERVICE REVIEW (CONTINUED FROM JULY 17, 2013 HEARING)**

Executive Officer Kathleen Rollings-McDonald presents the staff report, a complete copy of which is on file in the LAFCO office and is made a part of the record by its reference here. The full recommendation is outlined on page 1 of the staff report.

Ms. McDonald states that LAFCO staff has been monitoring the activities of the District as outlined in conditions section of the Service Review Resolution No. 3095. She reviews the compliance conditions and states that the District continues to work toward a resolution of its financial reporting and management issues as identified by LAFCO. Ms. McDonald outlines the ongoing financial concerns of LAFCO staff with the District requesting a further status report on compliance at the February 2014 hearing.

Karen Reams, General Manager, Rim of the World Recreation and Park District, states that the district has overcome many struggles and has faced a lot of changes. They are looking forward to the future and to many great things going forward. She states that the District has a great dedicated staff and new board members. She thanks staff for their guidance and direction in this endeavor.

Laura Dyberg, Board Member, Rim of the World Recreation and Park District, states that part of the challenge that the district has faced is the lack of increase in fees which is what creates the District's revenue. She states that the lack of revenue made it difficult for the District to hire and keep a general manager, however, with staff and board support, the District has gotten on track and is moving forward. She thanks staff for their help in this process.

Commissioner Cox moves approval of the staff recommendations as outlined on page 1 of the staff report, second by Commissioner Ramos. Chairman Curatalo calls for opposition to the motion. There being no opposition, the motion passes unanimously with the following vote: Ayes: Bagley, Cox, Curatalo, Lovingood, McCallon, Ramos, Williams. Noes: None. Abstain: None. Absent: None.

**INFORMATION ITEMS:**

**ITEM NO 9. PENDING LEGISLATION REPORT**

Executive Officer Kathleen Rollings-McDonald presents the oral report for the pending legislation noting that AB 240 was passed.

No action is required.

#### **ITEM NO. 10 EXECUTIVE OFFICER'S ORAL REPORT**

Executive Officer Kathleen Rollings-McDonald presents the Executive Officers oral report. She states that she has attended a meeting with the City of Grand Terrace to discuss disincorporation, detachments and other topics related to the financial wellbeing of the City. She also noted that the Service Reviews in the Valley has been initiated and that staff is putting together a workgroup to address and discuss various issues related to the Fiscal Indicators project which is a part of the service review program.

No action is required.

#### **ITEM NO. 11 COMMISSIONER COMMENTS**

Commissioner Bagley states that the Board of Directors of some of the Districts and Municipalities have a lack of knowledge regarding the structure and responsibility of their position. He asks staff to explore the possibility of providing training or perhaps posting literature on the LAFCO website that will help to inform new and existing Board of Directors of their responsibilities and of the laws that govern them such as the Brown Act and others.

Executive Officer Kathleen Rollings-McDonald states that staff can look into purchasing and posting a link on the LAFCO website that will provide the education to the District Board of Directors and notes that LAFCO is a member of the California Special Districts Association (CSDA). She also states that some of the smaller districts do not have the financial ability to be a part of the CSDA and that LAFCO can help to provide the training they may need.

Commissioner Cox asks if grant funding for the education of Board Members can be established. Commission Smith states that for small districts such as his, the ability to receive a grant for education and training purposes for the Board Members would be a benefit.

Chairman Curatalo asks if the CALAFCO organization can help in the grant process, to which Ms. McDonald responds that CALAFCO cannot but that LAFCO staff can coordinate educational training programs in the areas that have the most need such as the North Desert Area.

Commissioner Lovingood asks that staff present a report outlining what the costs associated with this education training program would be and states that staff could possibly use Silver Lakes as a training location.

Ms. McDonald states that staff will return at the November 20, 2013 hearing with the information requested.

**ITEM NO. 12 COMMENTS FROM THE PUBLIC**

There are none.

**THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE COMMISSION,  
THE HEARING IS ADJOURNED AT 10:04 A.M.**

**ATTEST:**

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**REBECCA LOWERY**  
Clerk to the Commission

**LOCAL AGENCY FORMATION COMMISSION**

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**JAMES CURATALO, Chairman**